



DATE: July 30, 2012

TO: Sioux Steel Company
196 ½ E. 6th Street
PO Box 1265
Sioux Falls, SD 57101-1265
Phone: 605.965.4273

ATTN: Chad Kramer
Structural Engineer

RE: Proposal for Structural Engineering Analysis and Design Review of
18' Diameter and 30' Diameter Hopper Cone Assemblies for
Sioux Steel Company

KC Engineering is pleased to provide this proposal for structural engineering services.

Project Description

The project includes structural engineering analysis and design review of two hopper cones that are proposed for use with Sioux Steel Company's 18' diameter and 30' diameter grain bins.

Scope of Structural Engineering Services

KC Engineering will review drawings and calculations provided by Sioux Steel and will produce independent structural models of the hoppers described above using RISA-3D finite-element analysis software. We will use the following references in our review:

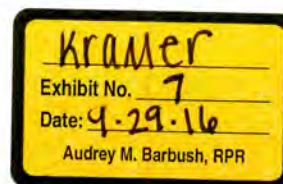
1. *Design of Steel Bins for Storage of Bulk Solids*, by Edwin H. Gaylord, Jr., and Charles N. Gaylord
2. ANSI/ASAE EP433 Dec1998 (R2011): *Loads Exerted by Free-Flowing Grain on Bins*
3. ASCE/SEI 7-05: *Minimum Design Loads for Buildings and Other Structures*
4. *AISC Manual of Steel Construction*, Thirteenth Edition

KC Engineering will then provide a written report and a letter summarizing our findings.

Exclusions and Clarifications

1. Sioux Steel shall provide KC Engineering with all criteria and full information as to the requirements for the project.
2. Mechanical, electrical, civil, geotechnical, and other non-structural engineering provided by others.
3. Design of anchor bolts, foundations, and below-grade structures provided by others.
4. We have excluded anything not specifically stated in this proposal.

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Fee

Fixed fee to provide structural analysis and design review for 18' diameter bin..... \$2500.00

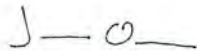
Fixed fee to provide structural analysis and design review for 30' diameter bin..... \$3000.00

Total fixed fee \$5,500.00

We appreciate the opportunity to provide our services to you on this project, and look forward to seeing this project through successful completion.

If you have any questions, please contact me at (712) 252-2100 or email jason@kcengineer.com.

Respectfully submitted,



Jason P. O'Mara
Vice President
KC Engineering, P.C.